Decision 01-11-012 November 8, 2001

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Edison Company (U 338 E) for Authority to Market Value and Retain the Generation-Related Portions of SSID.

Application 00-05-026 (Filed May 15, 2000)

OPINION DISMISSING APPLICATION OF SOUTHERN CALIFORNIA EDISION COMPANY FOR AUTHORITY TO MARKET VALUE AND RETAIN THE GENERATION-RELATED PORTIONS OF SSID

I. Summary

This decision dismisses the application, without prejudice, of Southern California Edison Company (Edison) for authority to market value and retain the generation-related portions of Edison's Shop Services and Instrumentation Division (SSID) facility. The dismissal of this proceeding does not prejudice the rights of any intervenor to pursue compensation-related issues.

II. Background

On May 15, 2000, Edison filed an application pursuant to Pub. Util. Code § 377,¹ for authority to market value and retain the generation-related portions of its SSID facility. The SSID facility is a mixed-use facility with some parts engaged largely in generation-related work while other parts are involved primarily in transmission –and/or distribution-related work. Edison sought to

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¹ All statutory references are to the Pub. Util. Code.

value and retain these generation-related assets, instead of selling them, so they could be utilized with the transmission and distribution portions of its facility. The Office of Ratepayer Advocates (ORA) and The Utility Reform Network (TURN) filed protests challenging the proposed valuation methodology and the ratemaking treatment. Neither TURN nor ORA opposed the basic concept of Edison retaining, rather than selling, the generation-related assets.

Following settlement negotiations, Edison, ORA and TURN arrived at a comprehensive joint recommendation (JR) on how to address SSID valuation and ratemaking issues and on November 21, 2000, submitted the JR to the Commission for approval. On February 1, 2001, the legislature enacted Assembly Bill (AB) 6X, (Stats. 2001 of the First Extraordinary Session, Ch. 4), revising § 377 to prohibit any sale of the generation-related portion of a utility's assets until 2006.

On August 16, 2001, Edison filed a Petition to Withdraw its Application.² Edison supports its petition on the ground that it would be more efficient for the Commission, Edison, and all parties to address ratemaking for all of the SSID facility, including the generation-related portions, in a future proceeding. On August 31, 2001, TURN filed a response agreeing that ratemaking for the generation-related assets should be included in a future proceeding and that this proceeding should be closed.

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² Edison titled its moving papers a Petition to Withdraw the Application. We will treat the Petition as a request for dismissal of the proceeding and issue a decision setting forth the unusual circumstances that justify the dismissal.

III. Discussion

Dismissal of Proceeding

Since Edison filed its application, changes in the California power market and the revisions to § 377 brought about by the passage of AB 6X have rendered the application moot. We agree with Edison and TURN that the application proceeding should be dismissed. It promotes efficient use of the Commission's and the parties' time and resources to have all aspects of the generation-related portions of the SSID facility resolved in a future proceeding, if required.

While TURN agrees that the proceeding should be dismissed, TURN also asks that the Commission state that the dismissal is not in anyway influenced by the Memorandum of Understanding (MOU) that Edison entered into with the California Department of Water Resources in April 2001. Edison did mention in its petition that the MOU exists and suggests that its adoption would eliminate the need to perform market valuation of any portion of the SSID facility. There is sufficient justification to dismiss the proceeding based on the revised § 377 and we do not rely on the MOU.

Intervenor Compensation

Our dismissal of the proceeding does not preclude TURN, or any other party to the proceeding already deemed eligible for intervenor compensation, from pursuing compensation.

TURN requests that the Commission recognize that even though the proceeding is dismissed that compensation-related issues exist and TURN will likely file a Request for Compensation. Any party seeking compensation must comply with the procedural and substantive requirements of Pub. Util. Code § 1804.

This is an uncontested matter in which the decision grants relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Findings of Fact

- 1. Since Edison filed its application, changes in the California power market and the revisions to § 377 brought about by the passage of AB 6X have rendered the application moot. We agree with Edison and TURN that the application proceeding should be dismissed.
- 2. Our dismissal of the proceeding does not preclude TURN, or any other party to the proceeding already deemed eligible for intervenor compensation, from pursuing compensation.

Conclusions of Law

- 1. AB 6X, revised Pub. Util. Code § 377, and now prohibits any sale of the generation-related portion of a utility's assets, including the generation-related portion of Edison's assets, until 2006.
- 2. Based on AB 6X, it is reasonable and promotes efficient use of the parties' and the Commission's resources and time to dismiss this proceeding.
- 3. This decision should be effective today so that this proceeding may be closed expeditiously.

ORDER

IT IS ORDERED that:

1. Southern California Edison Company's motion to withdraw its application for Authority to Market Value and Retain the Generation-Related Portions of Shop Services and Instrumentation Division facility is granted, without prejudice.

2. This proceeding is closed.

This order is effective today.

Dated November 8, 2001, at San Francisco, California.

LORETTA M. LYNCH
President
RICHARD A. BILAS
CARL W. WOOD
GEOFFREY F. BROWN
Commissioners

Commissioner Henry M. Duque, being necessarily absent, did not participate.